



Congresswoman Stephanie Murphy

Opening Statement

“The Puerto Rico Oversight, Management, and Economic Stability Act: State of Small Business Contracting”

House Small Business Committee

Subcommittee on Contracting and Workforce and Subcommittee on Economic Growth, Tax and Capital Access

*July 13, 2017*

Thank you, Mr. Chairman.

I am pleased we are holding this hearing on the small business provisions contained in PROMESA, on the GAO report that was produced as a result of one of those provisions, and on the possible steps this Committee and the SBA can take to empower small businesses in Puerto Rico and to help the U.S. territory address its economic challenges.

I want to thank Ranking Member Velázquez, who is a tremendous champion for the island. I also want to thank my colleague, Congresswoman Jenniffer González, who represents Puerto Rico in this chamber with skill and determination.

There are 3.4 million American citizens living in Puerto Rico. Because of the migration of Puerto Ricans from the island to the mainland, especially in recent years, there are now 5.4 million individuals of Puerto Rican heritage living in the states.

The Puerto Rican population in Florida has increased by over 120 percent since the year 2000, and now stands at 1.1 million, running neck and neck with New York. My district in central Florida is home to about 100,000 Puerto Ricans, the second-highest of any district in the Sunshine State. Many of my constituents have family and friends still living in Puerto Rico. They care deeply about the island, and so *I* care deeply about the island.

My view on Puerto Rico is simple. I believe the American citizens that live on the island should be able to vote for their president; should have a full delegation in the House and the Senate so that Congresswoman González does not need to do the work of seven people; and should be treated equally under all federal spending and tax programs. Our fellow citizens in Puerto Rico ought to have the same rights and the same responsibilities as residents of Florida or any other state.

Until Puerto Rico is treated equally in all respects, however, federal policymakers should be exploring both straightforward and creative ways to improve quality of life and spur economic growth on the island. To that end, Congresswoman Velázquez and Congresswoman González have introduced the *Puerto Rico Small Business Assistance Act*, which I am proud to cosponsor.

This bill incorporates recommendations made by the bipartisan, bicameral Congressional Task Force on Economic Growth in Puerto Rico, which was established by PROMESA and which issued a comprehensive report in December 2016. I hope Congress acts swiftly on this legislation.

As the Ranking Member of the subcommittee that oversees contracting, I will have specific questions for the two witnesses regarding the conclusions in the GAO report and the specific steps SBA can take at the agency level to better assist Puerto Rico's 44,000 small businesses.

For now, I want to close by expressing a general concern. Puerto Rico firms—whether they are small, medium, or large—receive relatively few federal government contracts.

As discussed in the report issued by the Congressional Task Force on Economic Growth in Puerto Rico, the territory ranks nearly last when it comes to the total dollar value of federal contracts performed within each state, and dead last when considered on a per capita basis.

Compounding the problem, according to the Federal Procurement Data System, of the 571 federal contracts that were performed in Puerto Rico in Fiscal Year 2015, 346 (approximately 61 percent) were awarded to firms located *outside* of Puerto Rico. That is a very high percentage compared to other jurisdictions.

In short, very few federal contracts are performed in Puerto Rico, and those that are performed in Puerto Rico are more often than not awarded to firms located off the island. That is an impediment to economic growth and job creation.

I hope the witnesses will address this broader point during the hearing.

Thank you, and I yield back.